

Message Text

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FOR RICHARD J. SMITH, US DEL, UN COMMISSION ON TNCS

FOLLOWING REPEAT BRUSSELS 4038 ACTION SECSTATE INFO OECD PARIS
THE HAGUE, LONDON, ANTWERP APR 22.

QUOTE

LIMITED OFFICIAL USE BRUSSELS 04038

E.O. 11652: N/A

TAGS: EINV, ELAB, OECD, BE

SUBJECT: BADGER BELGIUM CASE

REF: BRUSSELS 3936

1. AS REPORTED REFTEL, BADGER OFFICIALS MET WITH
SECRETARY OF STATE FOR REGIONAL AFFAIRS EYSKENS AND
WITH TRADE UNION OFFICIALS TO NEGOTIATE AGREEMENT ON
SETTLEMENT OF OUTSTANDING CLAIMS. PRESS REPORTS ON
OUTCOME OF MEETINGS APRIL 20 AND 21 WERE CONFUSED.
MINISTER EYSKENS EXPLAINED TO EMBOFF GENERAL OUTLINE
OF COMPLICATED AGREEMENT.

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2. AGREEMENT CONSISTS ESSENTIALLY OF FIVE PARTS:
(A) BADGER INTERNATIONAL AGREES IN PRINCIPLE TO PROVIDE
AN ADDITIONA FB 20,000,000. THESE FUNDS ARE TO BE
PAID DIRECTLY TO BANKRUPTCY RECEIVER;
(B) IF ASSETS AT TIME OF BANKRUPTCY DO NOT TOTAL
FB 100,000,000 BADGER WILL MAKE ADDITIONAL PAYMENT

OF UP TO FB 5,000,000;

(C) IF ASSETS SHOULD PROVE TO BE LESS THAN FB 95,000,000
THE PARTIES CONCERNED AGREE TO MEET AND EXAMINE THE
SITUATION FURTHER;

(D) IF COMPANY ASSETS SHOULD PROVE TO BE MORE THAN
FB 100,000,000 BADGER INTERNATIONAL NEEDS TO SUPPLY
PROPORTIONATELY SMALLER AMOUNT THAN FB 20,000,000
PAYMENT;

(E) TRADE UNION LEADERS AGREE TO OBTAIN WRITTEN
WAIVERS FROM AT LEAST 90 PERCENT OF FORMER BADGER
EMPLOYEES.

3. MINISTER EYSKENS EXPRESSED SATISFACTION AT WHAT
APPEARS TO BE SUCCESSFUL OUTCOME OF NEGOTIATIONS.
LAWYER EMPLOYED BY BADGER COMMENTED TO EMBOFF THAT
FIRM THOUGHT THAT SETTLEMENT WAS "PRETTY GOOD."

4. COMMENT: AGREEMENT WAS COMPLICATED BECAUSE NONE OF
THE PARTIES WERE CERTAIN FOR SURE AS TO ACTUAL AMOUNT OF
ASSETS REMAINING ON COMPANY'S BOOKS AT TIME OF BANKRUPTCY.
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Message Attributes

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